Empire’s Mirror: Foreign Lobbying, Donor Concentration, and Congressional Agenda-Setting

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Author: Siddhartha Harsh Wardhan

Affiliation: The Independent Observer

ORCID: 0009-0005-4228-1124 (https://orcid.org/0009-0005-4228-1124)

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Abstract

Congressional time and political capital often focus on overseas crises, while domestic service delivery lags. This paper advances a mechanism-first account: bipartisan convergence in incentives, sustained by donor concentration and foreign-influenced lobbying, shapes agenda-setting regardless of party branding. We pair this with a second mechanism—how deferral-based tax design can finance durable political influence via compounding (the 'buy-borrow-die' loop). Together, these channels help explain why foreign-policy salience outstrips attention to transit reliability, housing delivery, and other domestic 'plumbing.' The paper outlines reforms that target inputs (money, disclosure, and procurement rules) and outputs (pay-for-outcomes service design).

Methods & Scope

Methods & Scope — This is a descriptive, mechanism-mapping working paper. It triangulates public administrative records (committee and floor calendars), campaign-finance datasets (OpenSecrets), foreign-agent filings (FARA.gov), and immigration statistics (DHS Yearbook) from 2008–2025. The aim is to connect well-documented inputs (money, filings, agendas) to observable outputs (floor/fiscal attention) without claiming causal identification. Where claims touch legal doctrine, we cite controlling U.S.

cases (e.g., Terry v. Ohio; Buckley; Citizens United). Limitations include measurement proxies for salience (counts of hearings/floor hours), unobserved confounders, and absence of an instrumental-variable design. Findings should be read as structured description to guide future causal work.

Contribution & Limits (at a glance)

• Contribution: reframes 'values vs. security' narratives as incentive convergence with observable inputs/outputs.

• Contribution: links compounding/realization timing to durable political influence (funding the 'institutional layer').

• Contribution: proposes anti-capture circuits (financing, disclosure, procurement-for-outcomes).

• Limit: descriptive proxies; no causal identification.

• Limit: foreign-policy salience varies by exogenous shocks; paper abstracts from crisis-specific merits.

• Limit: tax proposals sketched at design level; distributional scoring left for future work.

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1) Introduction: Inputs vs. Outcomes

American political debate invites judgment of rhetoric while the system runs on allocation of money, docket time, and media attention. At the input layer, continuous fundraising demands privilege issues with continuous, organized payers—alliances, arms packages, and foreign-policy coalitions. At the output layer, none of this guarantees buses arrive on time or housing comes online at code and cost. We examine two mechanisms that keep this machine running: (1) donor concentration plus foreign-influenced lobbying that shape agenda-setting; and (2) a tax design that allows compounding without realization, financing long-run influence infrastructures. When rhetoric obscures mechanism, citizens argue about 'who' while the system persists on 'how.'

2) Bipartisan Incentive Convergence

Switch the soundtrack—from 'human rights' to 'national security'—and legislative trajectories often converge. Street-level discretion has outlived administrations: the stop-question-frisk framework tracks back to Terry v. Ohio [1]. Post-9/11 surveillance authorities expanded under both parties; immigration removals peaked during the Obama years before declining under Trump [2][3]. Foreign-influenced lobbying crosses the aisle via FARA-registered principals and aligned think-tank ecosystems [4]. Empirically, policy outcomes correlate more with organized elite preferences than mass preferences [5]; conceptually, this resembles a managed democracy [6].

3) Generational Wealth Is a Process, Not a Pile

Public discourse treats billionaire wealth as a static hoard. Historically, fortunes decay without discipline. Durable influence is institutional: trusts, spend rules, diversification, and conversion of assets into policy-shaping vehicles (endowments, think tanks, litigation, political spend). Case contrasts illustrate the point: Vanderbilt (dissipation), Carnegie (deliberate give-away), Rockefeller (institutionalization). Compounding plus institutionalization—not hoarding—preserves influence.

3A) Case studies: when fortunes vanish (and when they don’t)

• Vanderbilt — dissipation via fragmentation and upkeep; see Arthur T. Vanderbilt II, Fortune’s Children (1991).

• Carnegie — deliberate philanthropy; heirs do not anchor an industrial dynasty.

• Rockefeller — institutionalization via trusts/foundations sustaining durable influence.

4) How the Code Pays for Capture: Buy–Borrow–Die

Workers face withholding on each paycheck; asset-holders can lawfully defer realization. The familiar sequence is: buy appreciating assets → borrow against unrealized gains → die with step-up in basis at death. The legal fulcrum is timing of realization, not the nominal rate. As long as realization is deferred (and potentially erased at death), compounding can finance the institutional layer that, in turn, protects compounding [7][8][9].

5) Mobilization-Without-Capital Constraint

Mobilization without capital—the romantic belief that enthusiasm alone sustains national-level outcomes—collides with logistics. Durable operations require counsel, data, media, compliance, transport, talent, and time. Successful movements either find patrons or become institutions capable of raising and stewarding capital. Street energy can start fires; institutions staff firehouses.

6) Foreign-Policy Salience vs. Domestic Service Delivery

Why does Congress schedule hours for Middle East floor speeches while the 5:43 bus misses its timepoint? A fundraising organism optimizes for issues with continuous, concentrated payers; domestic services feature diffuse benefits and intermittent payers. Without procurement design that ties funds to measurable outcomes, marginal dollars are absorbed by existing processes. The remedy is service-first plumbing: headway-based scheduling, stop spacing, bus priority, real-time data (GTFS-RT), and contract incentives tied to reliability minutes and passenger-hours saved.

7) Program: From Personalities to Plumbing

Mechanism-targeted reforms at both layers:

A. De-money the input layer

• Hard firewall on foreign-influenced money: prohibit contributions and bundled spend by registered foreign agents and entities they beneficially control; require real-time, machine-readable cross-checks of political receipts against FARA filings and beneficial-ownership registries [4].

• Public financing with small-donor matching plus ad-time vouchers; standardized disclosure APIs for platforms.

• Platform transparency: public APIs for political ad libraries, spend, and targeting; reproducible archives of ad delivery and takedowns.

B. Close the compounding loop that finances capture

• End step-up in basis above a high threshold or impose realization at death for very large estates with multi-year payment windows [8].

• Limit interest deductibility on loans collateralized by publicly-traded equities above thresholds to curb borrow-to-consume masked as invest-to-grow.

• Enforce a minimum tax on large-entity book income to catch low-effective-rate outliers without punishing genuine reinvestment.

C. Pay for outcomes, not optics

• Transit: tie dollars to reliability minutes and passenger-hours saved; publish on-time performance monthly; baseline GTFS-RT and Transit Signal Priority.

• Housing: index support to code-compliant units delivered within 12 months and verified cost-per-habitable unit; independent cost verifiers.

• Education/training: fund completions and median-wage gains three years post-program; cohort-level transparency.

D. Narrow discretion where it hides capture

• Narrow discretion that hides capture: codify probable-cause baselines to prevent Terry-creep with per-se suppression; mandatory publication of stop data.

• Regulation design: default to open, machine-readable procurement with time-certain approvals and outcome-tied payments.

Caution on heavy rent control: evidence from San Francisco’s 1990s expansion shows supply contraction and upward pressure on market rents [10]. Pro-tenant protections should pair with by-right supply and time-certain approvals to avoid two-tier outcomes.

8) Limits, Objections, and Guardrails

Guardrails and limits: Speech protections remain paramount; firewalls target financing, not expression. Diaspora and allied advocacy are legitimate; the guardrail is disclosure and bright-line bans on money flows that convert argument into obligation. Reforms should preserve genuine

reinvestment and economic dynamism while curbing deferral structures that privatize gains and publicize costs.

9) Conclusion

It is not Gaza vs. Detroit; it is inputs vs. outcomes. A Congress optimized for fundraising allocates time toward continuous payers; a tax code optimized for deferral allocates power to those able to compound without realization. If democratic responsiveness is the goal, the loop must be broken where it lives: at the input layer of money and the output layer of measured service.

Exhibits

Table A — FARA Spend: Top Principals (Illustrative Structure; populate from FARA supplemental statements)

Principal	Country	Year	Registered Agent	Reported Spend (USD)	Activities Summary

Figure B — Outside Spending vs. Foreign-Policy Salience (Method Note)

Method: For each Congress (2009–2025), compute outside spend (OpenSecrets) and proportion of floor hours/committee hearings on foreign affairs; display as indexed series (2009=100). Include a caption with sources and construction details.

Figure C — Removals by Fiscal Year (DHS Yearbook)

Fiscal Year	Total Removals (ICE/DHS)	Notes
2009		
2012 (peak)		
2016		

2019

2021

2024

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Endnotes (Bluebook)

[1] Terry v. Ohio, 392 U.S. 1 (1968).

[2] U.S. Dep’t of Homeland Sec., Yearbook of Immigration Statistics (various years).

[3] Migration Policy Institute, Removals/Returns by Administration (various analyses).

[4] U.S. Dep’t of Justice, Foreign Agents Registration Act (FARA) filings; OpenSecrets, Foreign Lobby Watch.

[5] Martin Gilens & Benjamin I. Page, Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens, 12 Perspectives on Pol. 564 (2014).

[6] Sheldon S. Wolin, Democracy Incorporated: Managed Democracy and the Specter of Inverted Totalitarianism (2008).

[7] Lily L. Batchelder, David Kamin & Others, 'Buy, Borrow, Die' Analyses (various).

[8] I.R.C. § 1014 (basis of property acquired from a decedent).

[9] Citizens United v. FEC, 558 U.S. 310 (2010); Buckley v. Valeo, 424 U.S. 1 (1976).

[10] Rebecca Diamond, Tim McQuade & Franklin Qian, The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality, 109 Am. Econ. Rev. 3365 (2019).